

wallmank@wallman.com  
555 12th Street NW  
Suite 321  
Washington, DC 20004

  
**WALLMAN STRATEGIC CONSULTING, LLC**  
Phone: 202.347.4964  
Fax: 202.347.4961

**RECEIVED**

MAR 12 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

John E. Logan

loganj@wallman.com

March 12, 1999

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

Re: *Ex parte* presentations

GTE/Bell Atlantic: CC Docket 98-184  
SBC/Ameritech: CC Docket No. 98-141 ✓

Dear Ms. Salas:

On March 11, 1999, Tina Pyle of the MediaOne Group, Dick Karre of the MediaOne Group, and I met with individuals of the Commission's staff to discuss issues in the above two dockets. The individuals we met with are: Thomas G. Krattenmaker, To-Quyen Truong, William Dever, Johnson Garrett, Marilyn Simon, Tracey Wilson, and Johanna Mikes. In the meeting we discussed the position of the MediaOne Group with regard to the proposed transactions. We stated the MediaOne Group does not oppose the mergers but that the Commission should condition its approval. The conditions and the justification are set forth on the attached documents.

Enclosed are the necessary copies of this letter, with attachments.

Sincerely, 

John E. Logan

Enclosures

Copies, without attachments, provided to:

Thomas G. Krattenmaker

To-Quyen Truong

William Dever

Johnson Garrett

Marilyn T. Simon

Tracey Wilson

Johnanna Mikes

## **PROPOSED MERGER CONDITIONS**

### **1. Interconnection Trunks**

In collaboration with the CLECs, the ILECs will develop and implement procedures for the planning and provisioning of interconnection circuits with requesting CLECs. The ILECs must implement these procedures prior to closing the merger. The procedures will include -

- appropriate standards for timeliness of provisioning, and for blocking, testing and trouble reporting;
- a commitment by the ILECs to provide the requesting LEC the number of interconnection circuits that LEC has requested within the agreed-upon time frame; and
- meaningful monetary penalties for the ILECs' failure to meet established deadlines or otherwise to meet its obligations under the negotiated procedures, enforcement by the appropriate state regulatory authority.

### **2. Signaling Interface Testing**

At the request of any certificated CLEC, the ILECs will provide timely, cooperative testing of LEC-ILEC signaling interfaces to ensure compliance with established performance standards and parity of treatment with the ILECs' retail operations.

### **3. Number Portability**

In collaboration with the CLECs, the ILECs will develop and implement procedures for the timely implementation of number portability (interim and long-term). The ILECs must implement these procedures prior to closing the merger. These procedures will include -

- nondiscriminatory access to the functions of the ILECs' OSS to request and obtain number portability in a timely and efficient manner; and
- processes to ensure that the provisioning of number portability is timely and coordinated with loop cutovers
- the imposition of monetary penalties for provisioning errors.

### **4. Access to ILEC IntraLATA Toll**

The ILECs will permit CLEC customers to subscribe to the ILECs' intraLATA toll.

### **5. Parity of Provisioning**

The ILECs will schedule CLEC cutovers using the same scheduling parameters they use for their own retail customers (e.g., if the ILECs provision service for their retail customers in the evenings, or on Saturdays, they must provision CLEC cutovers during the same hours).

#### **6. Trouble-Resolution Procedures**

In collaboration with the CLECs, the ILECs will develop and implement procedures for the timely resolution of service outages and troubles, including detailed escalation processes and the imposition of monetary penalties for failing to resolve service outages and troubles consistent with the approved procedures. The ILECs must implement these procedures prior to closing the merger.

#### **7. Duplicate Billing**

In collaboration with the CLECs, the ILECs will develop and implement procedures to ensure the prompt cessation of ILEC bills to CLEC customers. The ILECs must implement the approved procedures prior to closing the merger.

#### **8. Anti-Competitive Win-Back Efforts**

In collaboration with the CLECs, the ILECs will develop and implement procedures and training materials to preclude anti-competitive attempts to win back customers. The ILECs must implement these procedures prior to closing the merger. The procedures will include -

- safeguards against the use of CLEC-proprietary information;
- measures to prevent the disparagement of CLECs by ILEC representatives;
- and
- adequate training.

**9. NXX Code Openings**

In collaboration with the CLECs, the ILECs will develop and implement procedures for the timely and accurate opening of NXX codes. The ILECs must implement these procedures prior to closing the merger.

**10. Resolution of Listing Errors**

In collaboration with the CLECs, the ILECs will develop and implement procedures for the timely resolution of errors, omissions and delays in providing listings (directory, directory assistance and 911). The ILECs must implement these procedures prior to closing the merger.

## **Summary of MediaOne's Interconnection Status With GTE-California (GTEC)**

The GTEC track record in implementing local interconnection and providing quality service to MediaOne is deficient. Following is a list of anticompetitive actions by GTEC:

### **1) Interconnection & Signaling**

- a) GTEC has failed to install trunks per MediaOne's forecasts.
- b) GTEC has arbitrarily limited MediaOne to ten trunks per tandem.
- c) A recent translation error in the GTEC network blocked incoming calls to MediaOne's customers in three communities.
  - i) The blocking occurred in GTEC's network as it was sending 13 digits (e.g., 310 310 NXX XXXX) instead of 10 digits.
  - ii) GTEC requires that a trouble ticket be opened before it will begin to fix a problem. However, GTEC refused - for 48 hours - to open a trouble ticket claiming that it was a problem on MediaOne's network.
- d) GTEC lacks trained staff for trouble reporting and resolution.
- e) GTEC claims that it follows the change management process as agreed to in the California PUC workshops. However, MediaOne continues to be blindsided by GTEC's changes.
  - i) Recently, GTEC moved its CLEC maintenance and repair operations to Dallas, Texas - without prior notice.
- f) GTEC has balked at providing TCAP message testing.

### **2) Number Portability**

- a) GTEC initially rejected nearly all of MediaOne's LNP orders.
- b) The LNP process has improved. However, ordering and provisioning problems caused by GTEC continue to lead to MediaOne's submission of reorders, customer service interruptions and customer cancellations and complaints.
- c) Within the last 6 weeks, GTEC has been reassigning, to its new customers, numbers that have been ported to MediaOne.
- d) GTEC signed off to the industry that it was ready to cut over to LNP as scheduled in July 1998. However, many of MediaOne's customers experienced call failures because GTEC's tandem offices were not LNP equipped for another month.
- e) GTEC missed its commitment to meet an agreed upon customer conversion schedule for INP to LNP.
- f) MediaOne made repeated requests to GTEC for an address verification system. It was not provided for many months.

- i) MediaOne must fax its request to obtain billing name and address. GTEC imposes a 24-hour turnaround.

**3) NXX Code Openings & Code Conservation Matters**

- a) GTEC, on an ongoing basis, often fails to open MediaOne's NXX codes in a timely and accurate fashion.
- b) GTEC refuses to participate in code conservation measures on either a federal or state basis.
  - i) GTEC refused to suggest even a handful of rate centers as rate consolidation candidates.

**4) Directory Assistance Listings**

- a) GTEC has been slow to correct errors in its directory listings for MediaOne.

**5) Customer Order Provisioning, Misbilling and Anticompetitive Win-Back Efforts**

- a) GTEC refused to provision orders for customers or allow flow through of number portability orders on Saturdays.
  - i) GTEC will now process orders on Saturdays, but "shuts down" such that MediaOne cannot process orders after 1 P.M.
- b) GTEC has maintained anticompetitive win-back practices - reconnecting dial tone service to customers without their knowledge or authorization and without prior notice to MediaOne.
- c) GTEC continues to issue bills in error to its former customers.

**6) Inter-carrier Agreement Dispute Resolution**

- a) GTEC has refused for many months to provide escalation lists consistent with California PUC dispute resolution policies for trouble or issue resolution.





This is Broadband. This is the way.

---

---

# Agenda

- ◆ Who We Are
- ◆ How We Provide Our Services: Our Hybrid Fiber Coax Network
- ◆ Our Digital Telephone Services
- ◆ What We Need From Incumbent Local Exchange Carriers
- ◆ Summary

## Who We Are

---

## MediaOne's Domestic Broadband Service Areas



◆ **MediaOne is the 3rd largest broadband company in the United States:**

- 8.5 million homes passed
- 5.0 million cable customers
- 90% of customers in clusters of 100,000 or more
- 8 markets with more than 200,000 customers

---

# MediaOne Digital Telephone Services



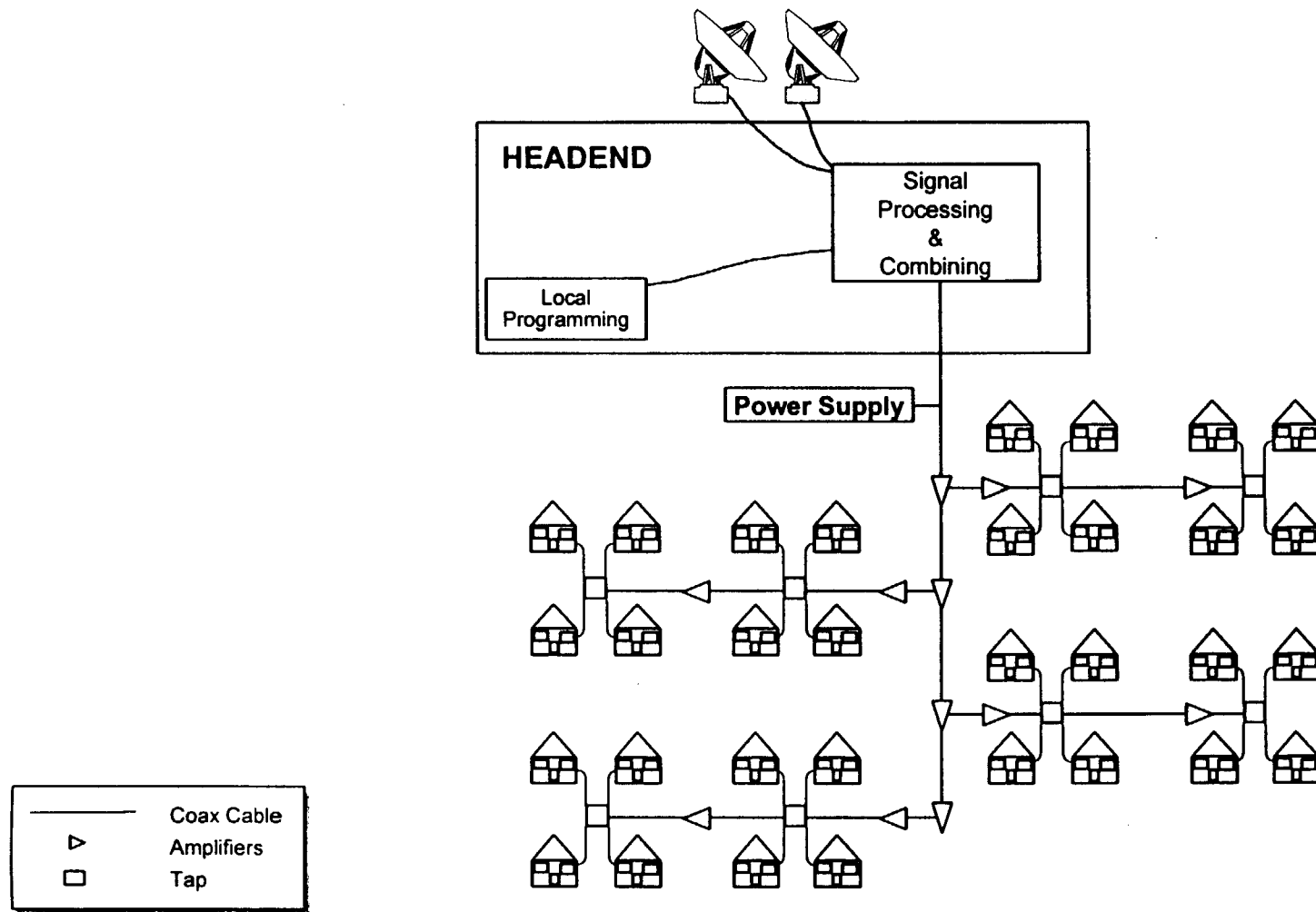
To date, MediaOne has launched facilities-based local telephone service to residential consumers in six markets: Atlanta, Los Angeles, Jacksonville, Pompano, Boston, and Richmond. More markets to come.

---

---

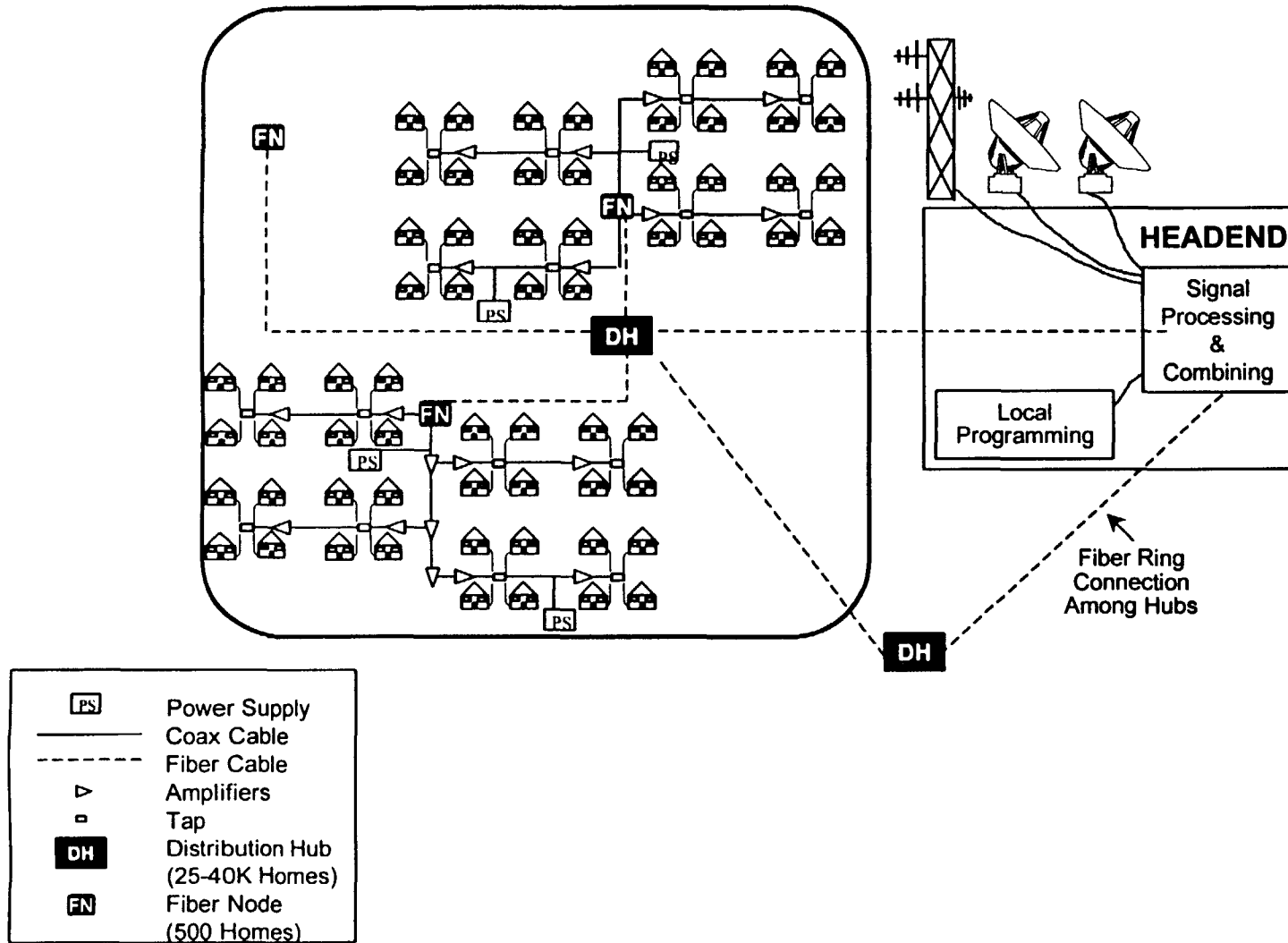
## How We Provide Our Services: Our Hybrid Fiber Coax Network

# Traditional Tree-and-Branch CATV Architecture



# Upgrading the CATV Network

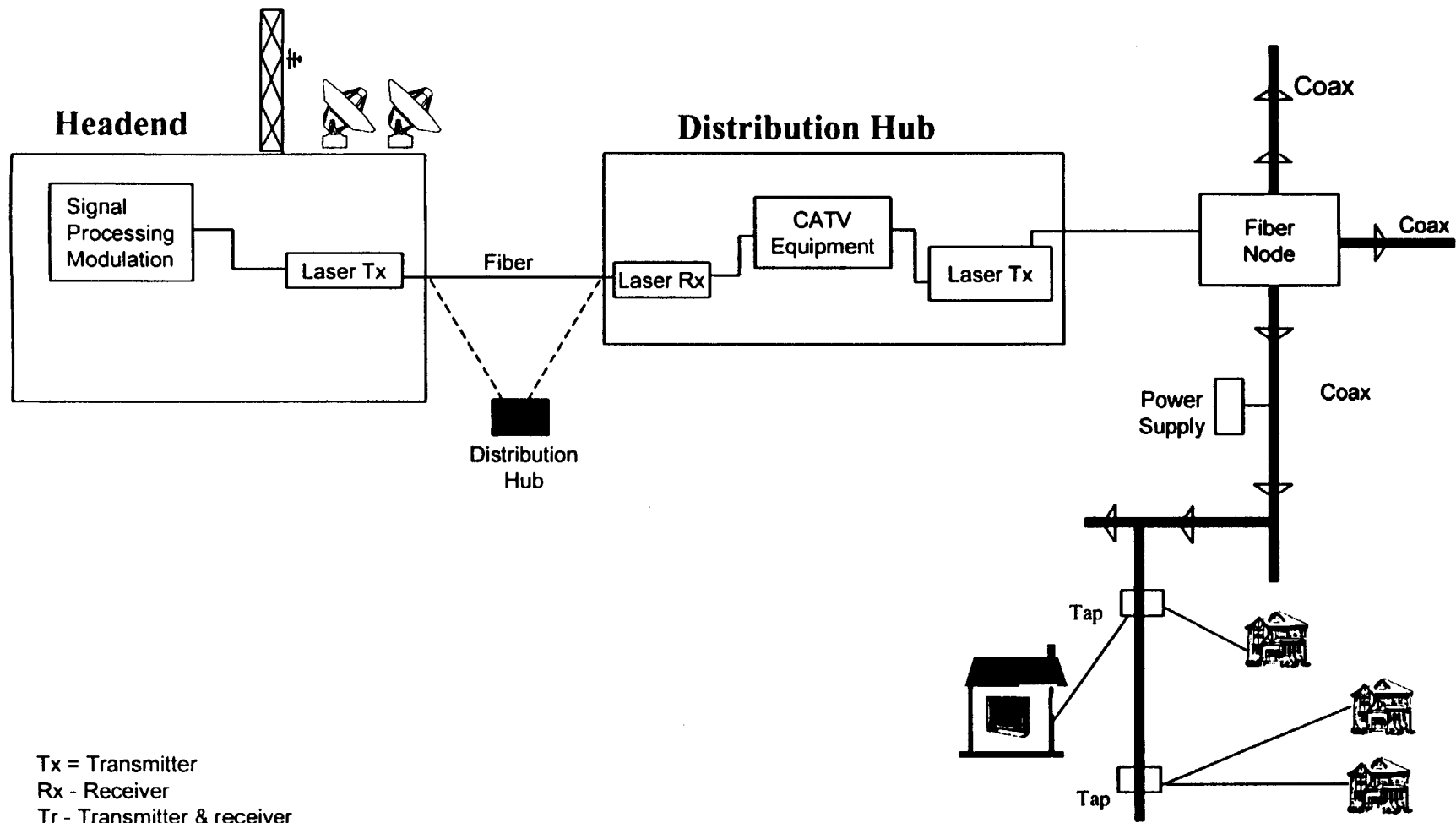
## Distribution Hub Area



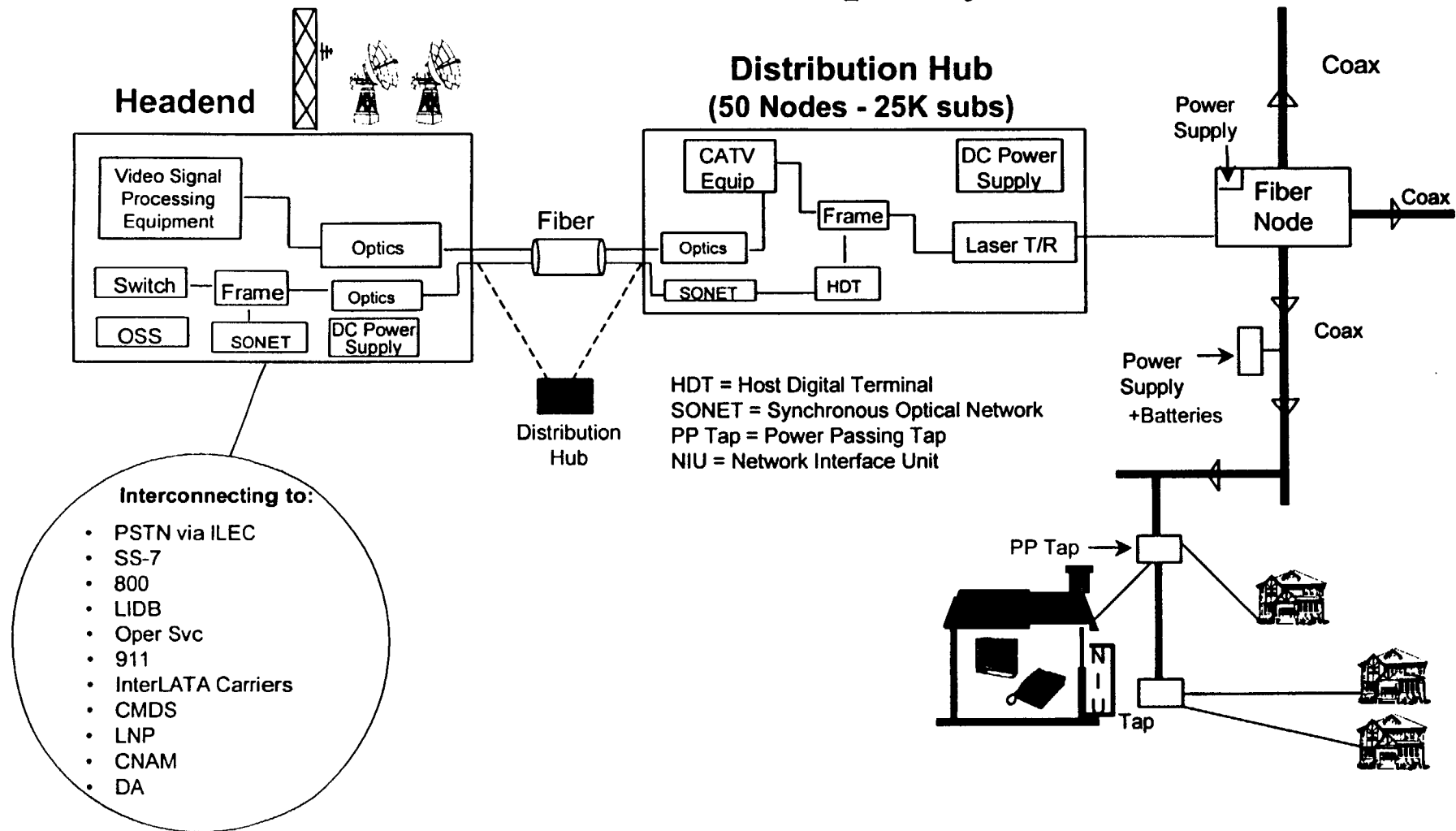


# Upgrading the CATV Network

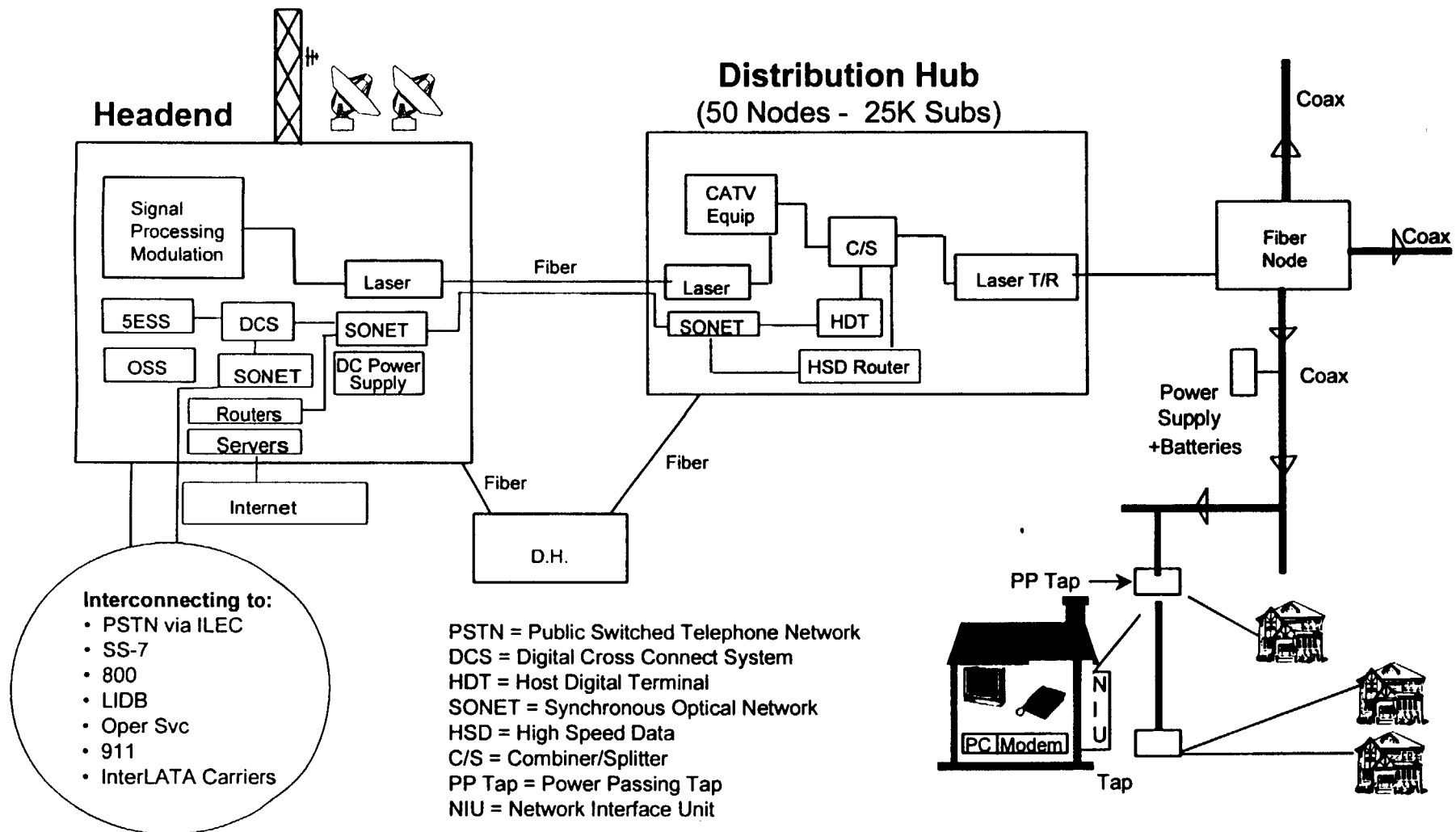
## – The Basic Network –



# Broadband Network Architecture Supporting Video and Telephony



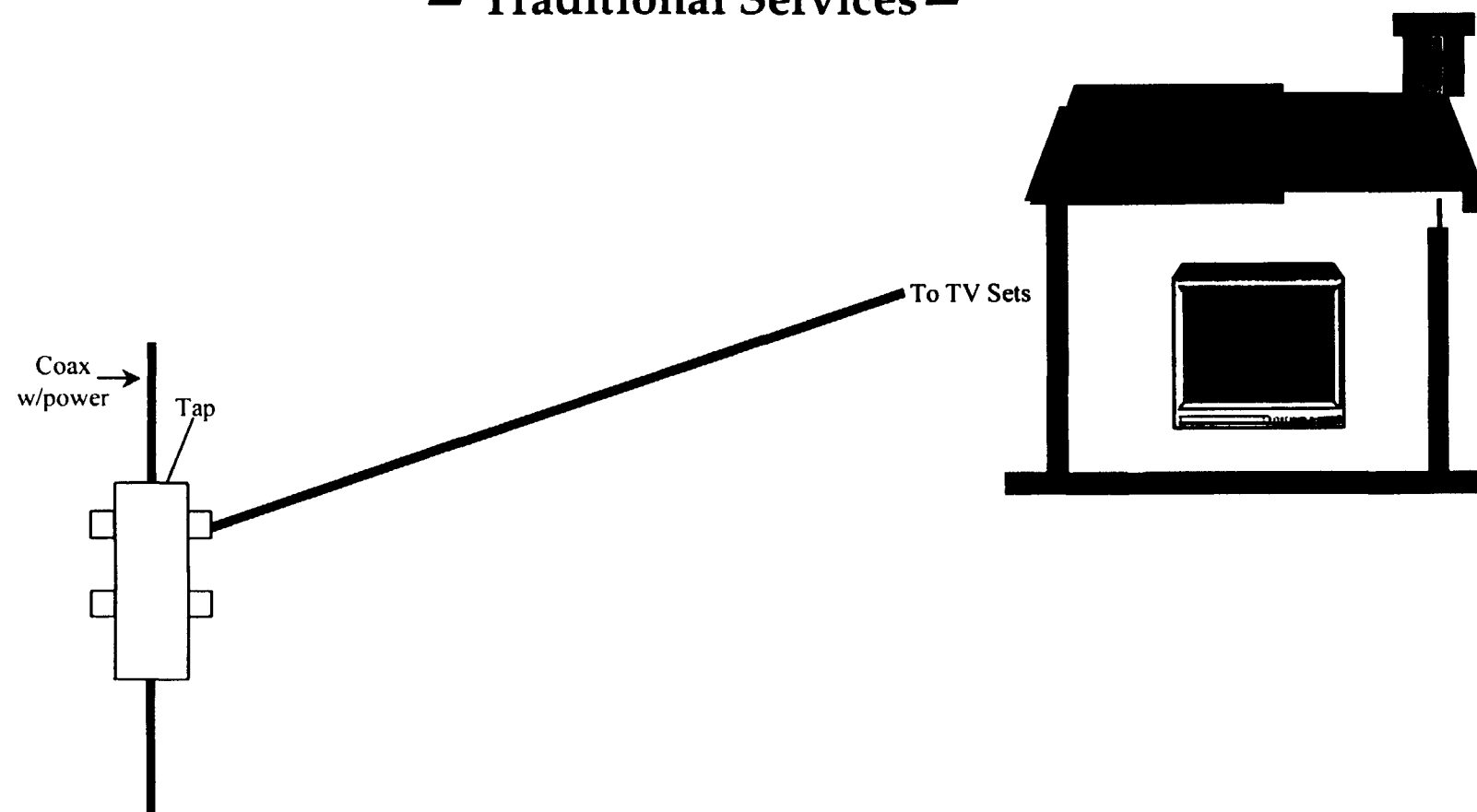
# Broadband Network Architecture Supporting Video, Telephony and High Speed Data Service



---

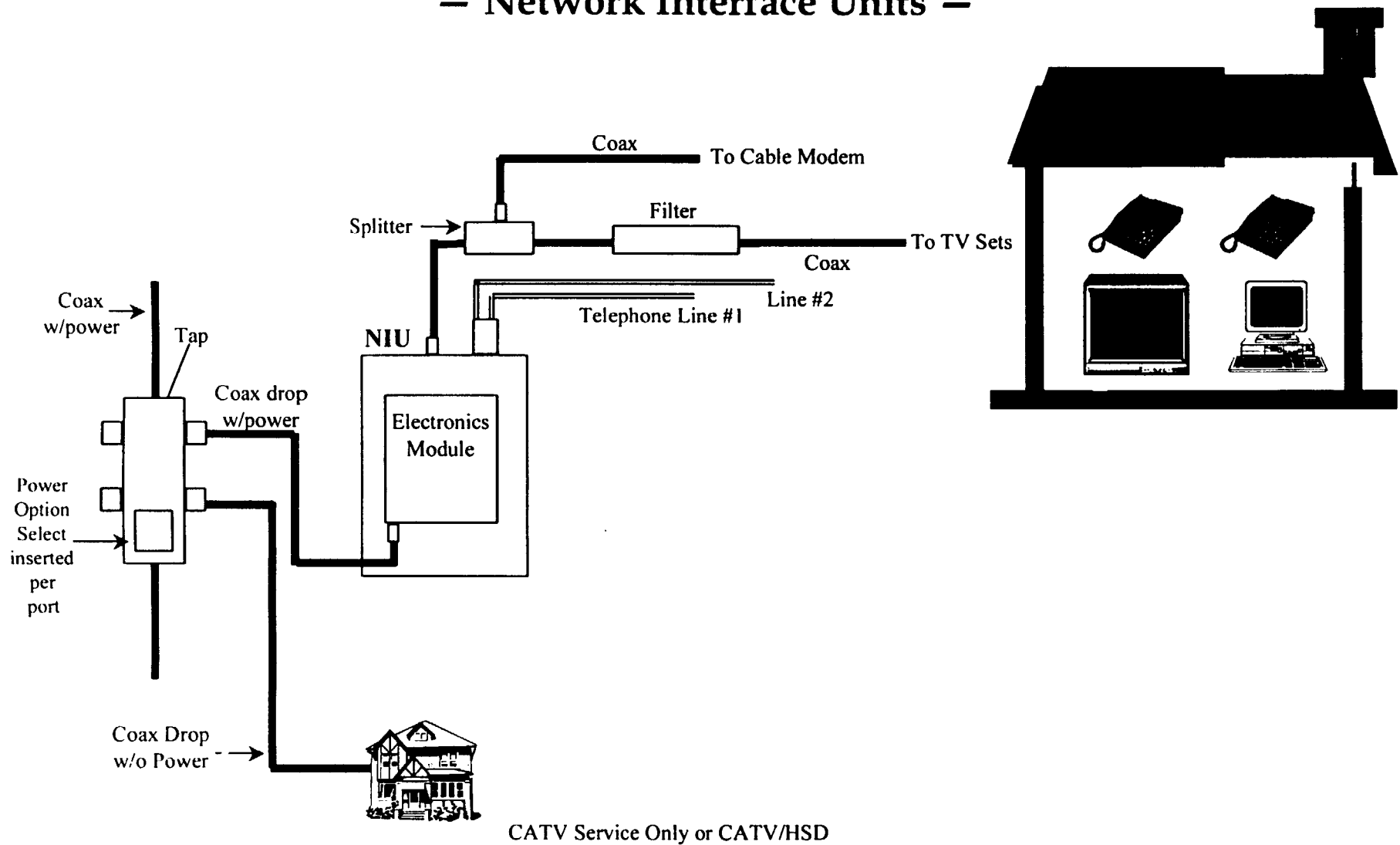
# Subscriber Premises

## – Traditional Services –



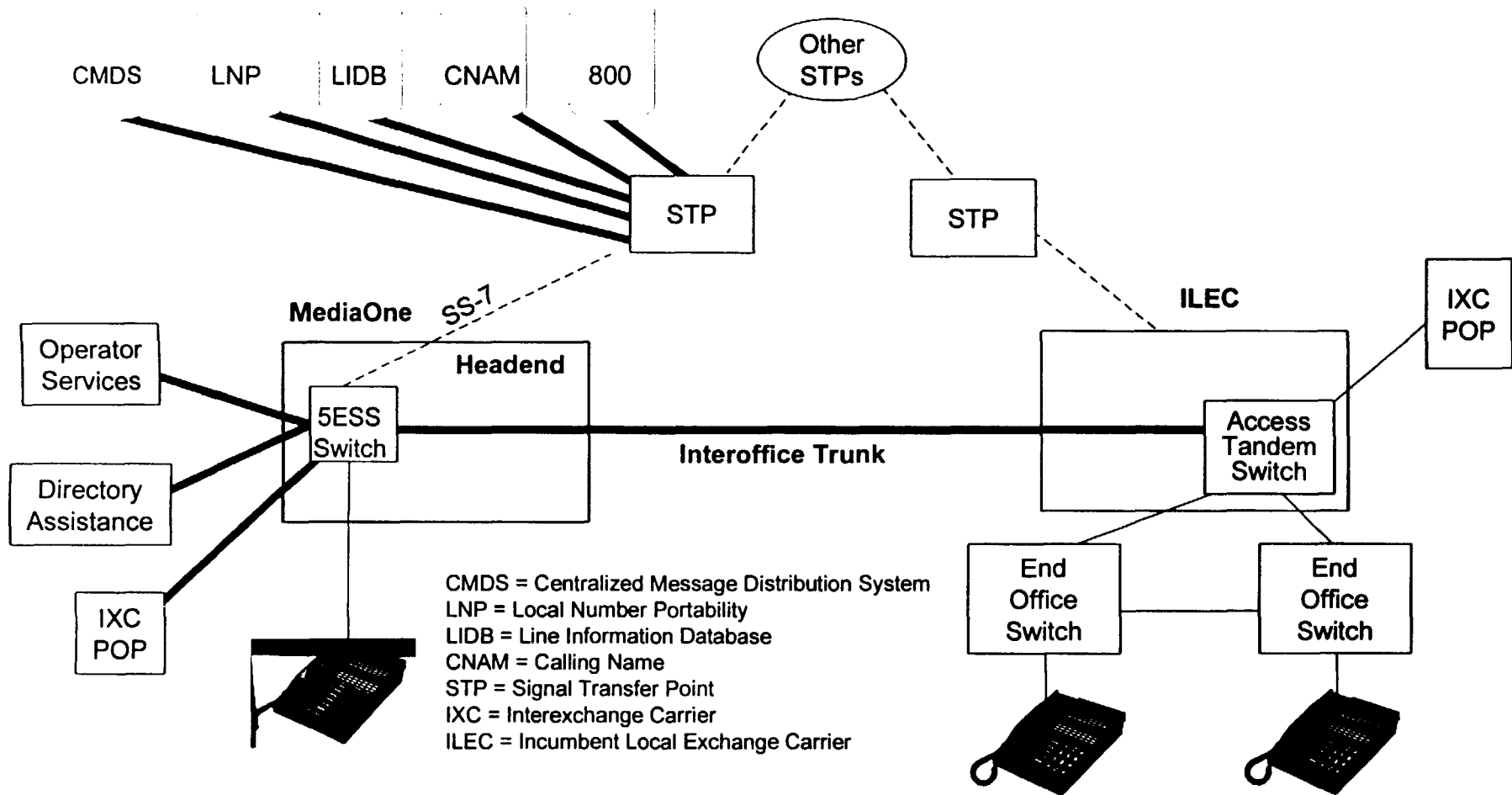
# Subscriber Premises: Telephony Overlay

## – Network Interface Units –



# Telephone Overlay

## – Interconnections –



## Our Digital Telephone Services

---

# MediaOne Digital Telephone Services

## – Consumer Product Packages –

### Telephone services include:

- ◆ One and two line offerings.
- ◆ Lines are equipped with Touch-tone, Custom Calling Services and CLASS features. Call Waiting, Caller ID, Last Call Return, and more are all included on the line.
- ◆ Additional products include voice mail, inside wire maintenance, operator services, and directory listings, as well as access to Directory Assistance and E-911.
- ◆ Promotional offers include free installation and one free month of service.
- ◆ A satisfaction guaranteed switch back to the prior local service provider within 30 days at no cost.
- ◆ Customers may keep their telephone numbers.

*Using traditional telephone services as a foundation, MediaOne has built product packages that emphasize value, simplicity, and the power of the broadband network.*



# MediaOne Digital Telephone Services

## — Consumer Product Packages —

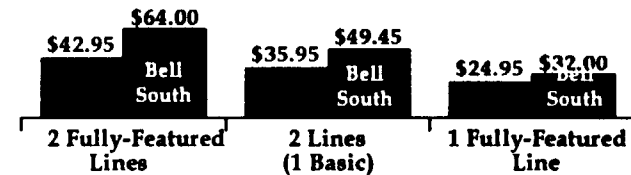
### Competitively Priced Product Offering

- ◆ 2 fully-featured telephone lines
- ◆ 2 telephone lines: 1 fully-featured and 1 basic line
- ◆ 1 fully-featured telephone line
- ◆ Additional products such as voice mail, inside wire maintenance, directory assistance, operator services and directory listings
- ◆ One free month of service

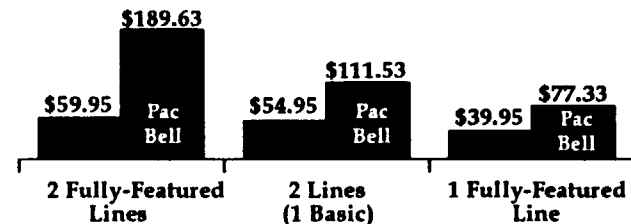
### Promotional Offers

- ◆ Free installation
- ◆ Satisfaction guarantee

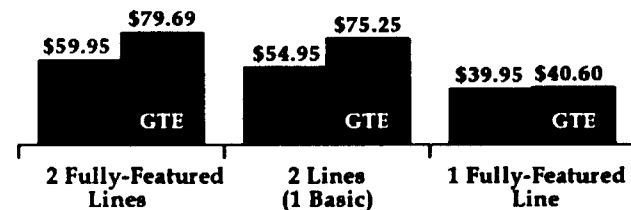
MediaOne vs. BellSouth - Atlanta



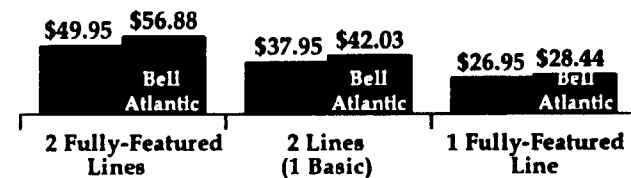
MediaOne vs. Pacific Bell - Los Angeles\*



MediaOne vs. GTEC - Los Angeles \*



MediaOne vs. Bell Atlantic - Richmond



\* Includes 500 minutes of intraLATA calls.

---

---

## What We Need From Incumbent Local Exchange Carriers

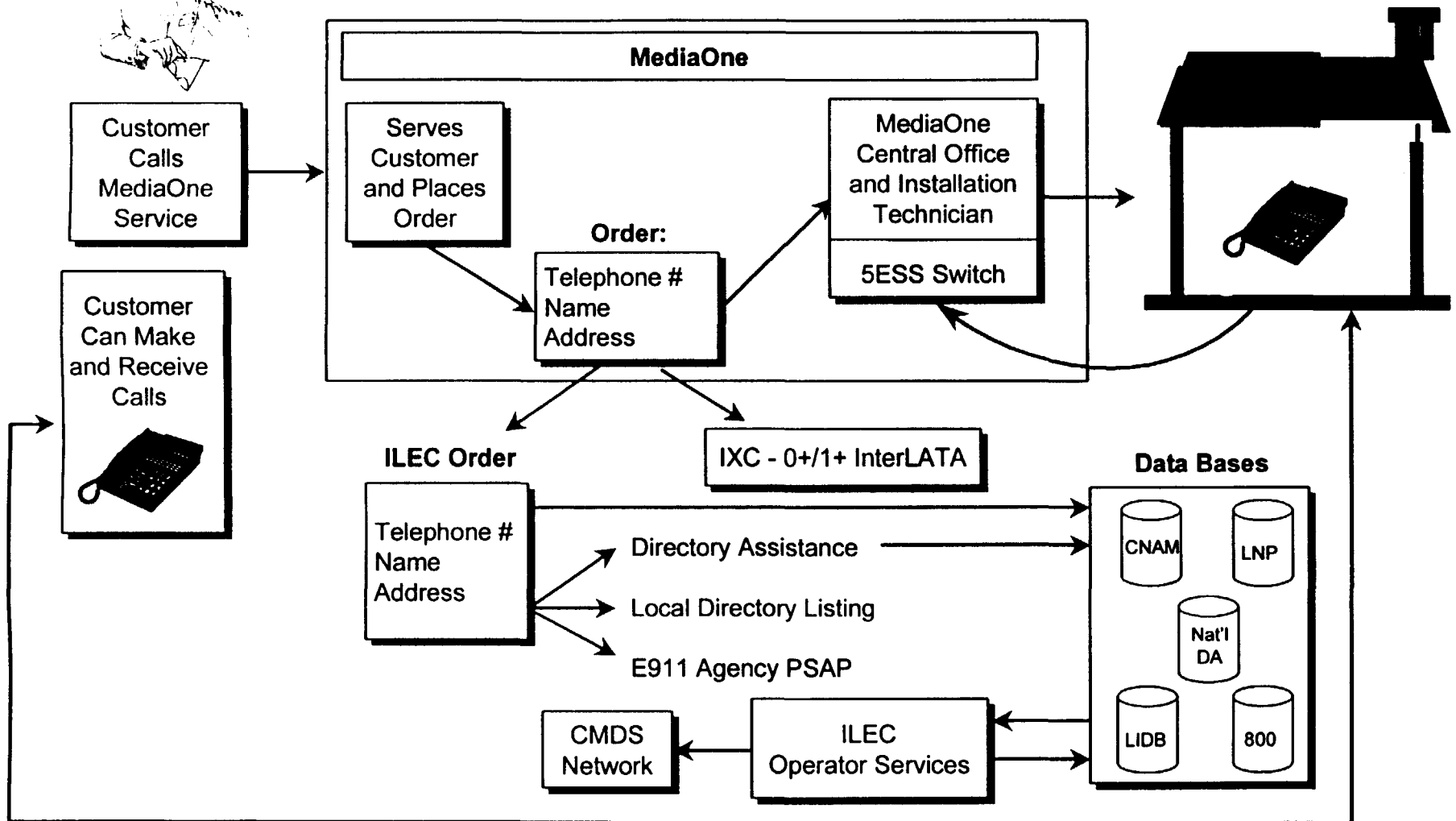
---

---

## Achieving Seamless Interconnection for Consumers

- ◆ As a facilities-based provider, MediaOne Digital Telephone Services operates from a position of relative independence from the ILECs.
  
- ◆ However, MediaOne requires essential elements from the ILECs:
  - Interconnection of local telephone networks.
  - Interim and long-term number portability.
  - Access to wiring in multiple dwelling units.
  - Access to ancillary services.
  
- ◆ MediaOne also requires telephone numbers to provide service.

# Connecting Consumers



---

---

## **What Does MediaOne Need From The ILEC When A Customer Orders MediaOne Telephone Service?**

- Can MediaOne interconnect with the ILEC?
- Can MediaOne interconnect with the ILEC's signaling network?
- Can the customer's current phone number be ported?
- Can the customer get a new phone number?
- Will the ILEC provide intraLATA long distance?
- Will the ILEC cooperate in the cut-over of service?
- Does MediaOne have access to network terminating wire?
- Are two or more lines available for the MDU customer?

**MediaOne is dependent upon the ILEC for essential elements.**

---

---

## Can MediaOne Interconnect With The ILEC?

- ◆ Trunking is critical to customer access.
  - MediaOne 's experience :
    - BellSouth: MediaOne customers experienced severe service disruptions in 8/97, 10/97 and 1/98. BellSouth's trunk group additions were delayed -- the 1st time 30 days, the 2nd time 75 days.
    - Bell Atlantic: MediaOne provides timely forecasts but still experiences Bell Atlantic delays in processing interconnection trunk groups.
    - Pacific Bell: MediaOne places trunk orders. The ILEC is slow to respond, and when it does, the dues dates are unreasonably long. MediaOne has and continues to experience frustrating delays.
    - GTE-California: The ILEC will not install trunks per MediaOne's forecasts , and is limiting MediaOne to ten trunks per tandem.
- ◆ GTE-California has had translation errors that have blocked incoming calls to MediaOne's customers. Further, GTEC does not have a sufficient staff of trained employees to handle trouble resolution. Also, GTEC does not follow agreed-upon change management process.

**ILECs are not providing interconnection circuits and trouble resolution on a reasonable or timely basis.**

---

---

## Can MediaOne Interconnect With The ILEC's Signaling Network?

- ◆ In order for MediaOne to offer comparable service packages that include Custom Calling and CLASS services, MediaOne must be able to pass and receive appropriate messages with the ILECs.
- ◆ MediaOne 's experience :
  - Pacific Bell: When MediaOne requested message testing necessary for Custom Calling, Pacific Bell refused to cooperate for two months. MediaOne had to escalate to the California PUC.
  - GTE-California: The ILEC refused to provide message testing.
  - Bell Atlantic: The ILEC would not provide Illuminet, MediaOne's SS7 provider, with the necessary signaling parameters needed for MediaOne to implement its Caller ID Name services.

**The cost to MediaOne: precious resources and business delays.**

---

---

## Can The Customer's Current Telephone Number Be Ported?

- ◆ Number portability is essential to meaningful facilities-based competition as customers are reluctant to switch to MediaOne if they must change telephone numbers.
- ◆ MediaOne's experience :
  - BellSouth:
    - Under INP, the ILEC's original fax environment caused MediaOne to adopt a 7 work day installation commitment.
    - Under LNP, BellSouth-imposed a 48 hour interval to provide a FOC or discrepancy. At first, this was met about 50% of the time. MediaOne is now starting to receive electronic FOCs within 24 hours.
      - » However, LNP - clarifications are received via fax -- this typically takes 3 days. Electronic response has been promised.



---

---

## Can The Customer's Current Telephone Number Be Ported?

- ◆ MediaOne's experience (continued) :
  - Pacific Bell:
    - Under INP, many MediaOne customers were left without service when Pacific Bell worked orders improperly (e.g., orders were not released, orders were worked prematurely or were delayed).
    - Under LNP, MediaOne has experienced numerous problems with Pacific Bell from an ordering and provisioning standpoint.

---

---

## Can The Customer's Current Telephone Number Be Ported?

◆ MediaOne's experience (continued) :

• GTE-California:

- At one time, MediaOne had 80% of its LNP orders rejected by GTEC.
  - » The process has improved. However, ordering and provisioning problems caused by GTEC continue to lead to MediaOne's submission of reorders, customer service interruptions and customer complaints and cancellations.
- GTEC missed its commitment to meet an agreed upon customer conversion schedule for INP to LNP.
- GTEC did not provide an address verification system for many months -- now GTEC has a manual process. MediaOne must fax requests and wait 24 hours for response.
- GTEC reassigns, to its new customers, telephone numbers that have been ported to MediaOne.

---

---

## Can The Customer's Current Telephone Number Be Ported?

◆ MediaOne's experience (continued) :

- Bell Atlantic:

- The ILEC was aware of MediaOne's launch date of 9/1/98. However, on 9/4/98, Bell Atlantic informed MediaOne that it did not have an INP billing process and MediaOne would have to reschedule its porting dates.
- MediaOne requested variable call forwarding to smooth out the processes associated with INP. Even though Bell Atlantic's CLEC handbook includes a section on the service, MediaOne was told that it could not order it. Later Bell Atlantic said that there were "undefined" operational issues. After weeks of delay, Bell Atlantic finally agreed to offer variable call forwarding.
- Bell Atlantic refuses to test new INP procedures.

**MediaOne has had to halt its marketing efforts while ILEC number portability issues are mended. MediaOne's customers have experienced service interruptions.**

---

## Can The Customer Get A New Telephone Number?

- ◆ In the greater Los Angeles area, MediaOne's facilities cross six area codes: 213, 323, 310, 714, 626 and 562.
  - All of these area codes are in jeopardy:
  - The California PUC has instituted a lottery to conserve NXXs.
- ◆ To date, MediaOne has obtained 26 NXX codes. MediaOne requires 20 additional codes.
- ◆ The California PUC denied MediaOne's request for immediate codes, but is revising the existing lottery process.
- ◆ The California PUC has filed a petition with the FCC requesting authority to conduct NXX code rationing.

**Pacific Bell and GTE have access to a large number of telephone numbers and can offer service to customers in areas where NXX codes are rationed and availability is severely limited.**

**On the other hand, MediaOne cannot market to some areas because it does not have telephone numbers.**

---

---

## Will The ILEC Provide IntraLATA Long Distance?

- ◆ Bell Atlantic is refusing to offer its intraLATA toll service to MediaOne local exchange customers --
  - This is contrary to the provisions of Bell Atlantic's Massachusetts tariff.
  - If a consumer wants Bell Atlantic's intraLATA toll service, the consumer must also take Bell Atlantic's local exchange service.

**Bell Atlantic's position not only violates its tariff obligations, but it also discriminates against all non-Bell Atlantic's local exchange customers by denying them the choice of the ILEC's toll service.**

---

---

## Will The ILEC Cooperate In The Cut-Over Of Service?

- ◆ When customers change service providers, the transition must be seamless -- that is, their service should not be disrupted.
  - MediaOne's customers have been inconvenienced as a result of:
    - BellSouth discriminatory repair treatment (which resulted in the customer leaving MediaOne and returning to BellSouth).
    - Problems with provisioning orders on Saturday (centers not open or open only for limited hours) -- Bell Atlantic, Pacific Bell and GTE-California.
    - Bell Atlantic failed to include MediaOne's NXX codes in Bell Atlantic's directory assistance database.
    - GTE-California has been slow to correct errors in directory listings.
    - MediaOne's customers have experienced anti-competitive win-back efforts of GTE-California.
    - GTE-California and Bell Atlantic send bills to MediaOne's customers.
    - Bell Atlantic refuses to intercept messages for customers who change to MediaOne service with a new telephone number.

**MediaOne has experienced cumulative delays because of discriminatory access to directory assistance, support services and repair. MediaOne's customers have been inconvenienced.**

---

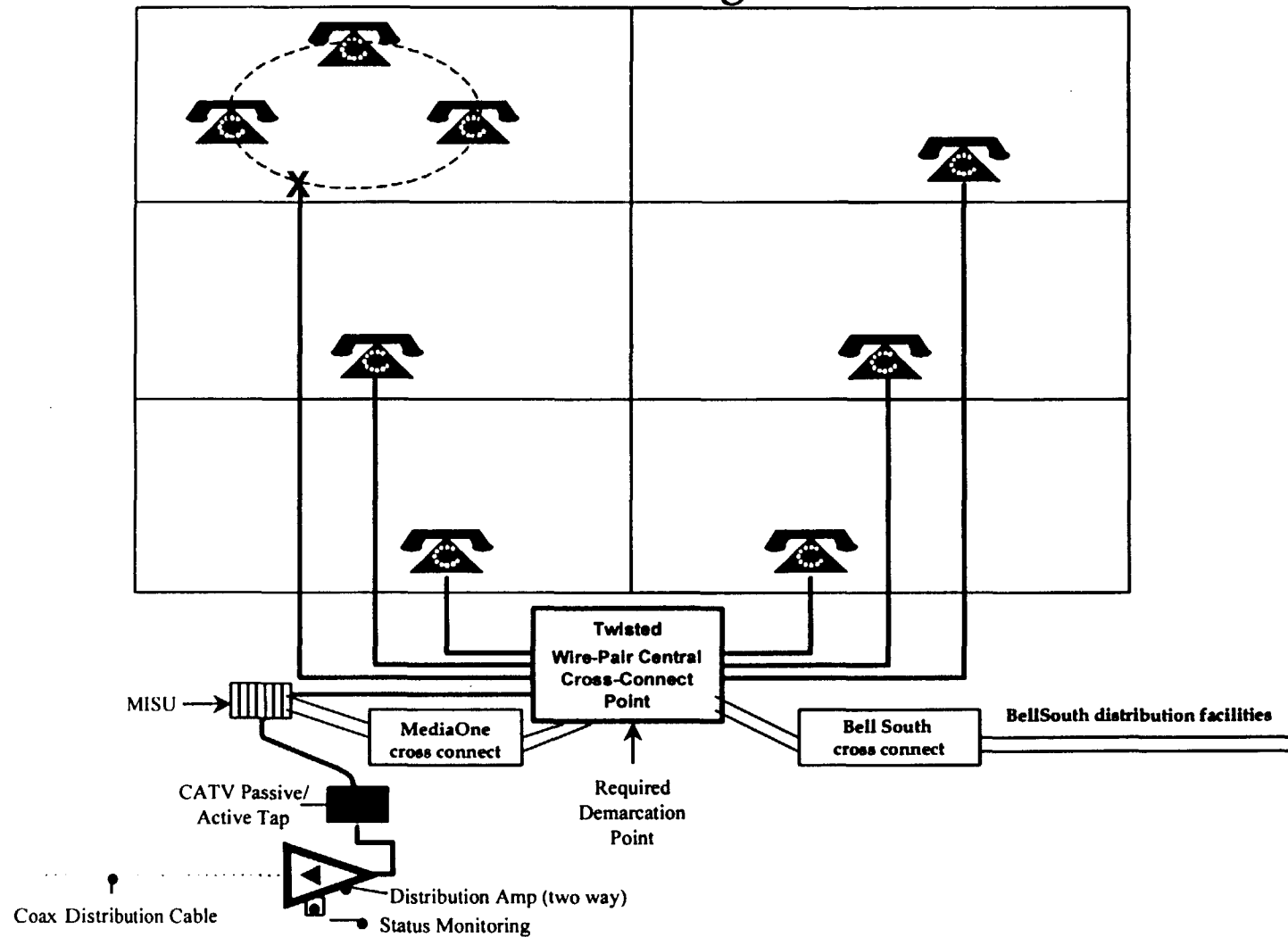
---

## **The Customer Lives In A Multiple Dwelling Unit -- Can MediaOne Offer Service? --**

- ◆ MediaOne must be able to obtain reasonable access to MDU wiring.
- ◆ BellSouth has established separate demarcation points at each of the units within the MDUs it serves.
  - BellSouth retains control of the wiring between the individual units and the minimum point of entry.
  - BellSouth has established uneconomic and operationally burdensome methods and procedures.
  - BellSouth will lease additional pairs -- if available.

**MediaOne cannot offer service to BellSouth customers  
in Multiple Dwelling Units.**

# Multiple Dwelling Unit Preferred Arrangement



MISU = Multiple Individual Subscriber Unit



## Summary

---

---

## **What The ILECs Must Provide To Enable MediaOne To Offer Effective Facilities-Based Competition to Residential Consumers**

- ◆ Seamless cut-overs for new MediaOne customers.
- ◆ Equal access to ILECs' intraLATA toll.
- ◆ Equal access to directory assistance, support, services and repair.
- ◆ Equal access to ILEC premises wire in apartment buildings.

---

---

## **What The ILECs Must Provide, On A Timely And Reasonable Basis, To Enable MediaOne To Offer Effective Facilities-Based Competition to Residential Consumers**

- ◆ Interconnection trunks.
- ◆ Signaling interface testing
- ◆ Number portability
- ◆ Access to ILEC intraLATA toll
- ◆ Parity of provisioning
- ◆ Trouble resolution procedures
- ◆ Elimination of duplicate billing
- ◆ Elimination of anti-competitive win-back efforts
- ◆ Access to MDU wiring

**Until the ILECs remove these barriers to entry, local telephone markets will remain closed to competition.**